

**CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, APRIL 5, 2005**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, April 5, 2005, commencing at 7:05 a.m.

A. ROLL CALL

Present: Council Members – Hansen, Johnson, Mounce, and Mayor Beckman

Absent: Council Members – Hitchcock

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Blackston

B. TOPIC(S)

B-1 "Review of Community Development Department fees"

Community Development Director Bartlam explained that he would be reviewing proposed fees that would be necessary in order to operate the department for the coming fiscal year. He recalled that the Finance Director previously outlined the concept of transferring Community Development into a special revenue fund. It was pointed out at that time that there was a need to equate revenues to expenditures, and the direct relationship between the services provided and those costs. In the Planning Division, staff considered the amount of time it took to deal with planning applications, as opposed to General Fund related expenses, which are not charged for. About 70% of the Planning Division time is directly fee related with an application. There are 17 different applications which fees are charged for and each fee needs to be increased. Staff reviewed the time it took to process an average application in each of the categories. A survey of adjacent communities was done and in each of the proposed fees Lodi will be at or below the average of other cities in the County. Fees have not been increased since 1999. The proposed fees represent the Department's "fully loaded" cost, which includes personnel costs, operating costs for the Department, as well as external and internal charges that the Department would necessarily have to pay for services it receives such as from the Finance Department, City Attorney, City Manager, and Human Resources. A prorated portion of the cost to receive those services was included in addition to internal service functions such as building maintenance, utilities, telephone, postage, vehicle maintenance, etc. The proposed Planning Division fees are estimated to recover 70% of its costs.

In reply to Council Member Johnson, Mr. Bartlam explained that the environmental impact report (EIR) hourly fee was the only change in which fees were assessed. The previous fee was done on a flat-rate basis, which was not enough to recover staff time. He reported that each project generates an enormous variation in the amount of time. The hourly rate is for staff time in order to process the EIR. The City's policy is for the EIR to be fully funded by the applicant.

Mr. Bartlam reported that he had spoken to all major home builders in Lodi about the proposed fees. Their interest was making sure that the service delivery equates to the fee. The proposed budget for Community Development fills three of the four positions in the Department that are vacant, i.e. City Planner, Permit Technician, and Building Inspector.

In answer to Council Member Hansen, Mr. Bartlam stated that the City Planner position would be responsible for coordinating the General Plan update. He explained that taxes do not pay for the privilege to do construction or building activity in Lodi. In Community Development, general taxes pay for the dissemination of public information.

City Manager King commented that some developers are willing to pay an additional amount for a dedicated contract planner to expedite the process. He anticipated that this option would be offered in Lodi in the coming months. The recruitment for a City Planner has been put on hold pending the recruitment for Community Development Director. He noted that the time-consuming element of the General Plan process is the level of involvement with the community. He estimated the General Plan update process would take two years.

Mayor Beckman and Council Members Hansen and Johnson expressed support for the General Plan update to be a high priority and completed in one year if possible. Council Member Hansen suggested that a Shirtsleeve Session be held to discuss the process and how it could be expedited.

Council Member Mounce also felt it was important to move forward with the General Plan update as soon as possible; however, she expressed concern that one year would not allow adequate time for outreach and community input.

In answer to Council inquiries, Mr. Bartlam reported that the last 20 year General Plan was adopted in 1991 and had begun in 1987-88. In reference to a dedicated planner, as suggested by Mr. King, Mr. Bartlam stated that it only works for very large projects. He did not recommend it for day-to-day activities.

Discussion ensued regarding live entertainment permits. Mayor Beckman preferred that the permit and fee be eliminated. Council Member Hansen noted that the requirements of the permit make it clear to people that they cannot unduly influence their neighbors. Mr. Bartlam disagreed with Mayor Beckman's assertion that the permit and fee dissuades live entertainment in the community. He pointed out that the \$200 fee is good "preventive medicine" because, without it, the City would expend far more from the General Fund for Code Enforcement to deal with a neighborhood dispute.

In reference to the Building and Safety Division, Mr. Bartlam stated that revenues should be reduced by approximately \$150,000. Under Community Improvement, the current hourly rate charged for non-compliance is \$40 and the proposed "fully loaded" cost will be \$100 an hour.

In answer to Council Member Hansen, Community Improvement Manager Joseph Wood reported that last year there was an 80% recovery of abatement costs. The non-compliance hourly rate charge recovery was \$10,000, which amounts to 20% to 30% of what was billed.

PUBLIC COMMENTS:

- Jeffery Kirst stated that the development community as a whole is saddened that Rad Bartlam will be resigning as the Community Development Director. Mr. Bartlam has provided strong leadership, direction, and solutions. In reference to the increase in planning fees, Mr. Kirst acknowledged that it is probably needed. It is hoped that vacant positions in the Department will be filled to help the Building Division conduct permit review more expeditiously.

C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

D. ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at 8:02 a.m.

ATTEST:

Susan J. Blackston
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Review of Community Development Department Fees

MEETING DATE: April 5, 2005

PREPARED BY: Community Development Director

BACKGROUND INFORMATION: The Community Development Department charges fees to cover the costs of providing specific services related to planning, construction, and code enforcement. Historically, these fees were based on the cost to provide the service and surveys of adjacent communities. For construction related activities, the fees are based on the Building Code tables adopted by most cities in the State.

For this coming fiscal year's budget, the City is looking to move the Community Development Department into a Special Revenue Fund. This would be similar to an Enterprise Fund where revenues and expenditures are more closely related as staff has described to the Council over the past several months. The department's divisions can be broken down into two service categories. General Fund related activities that are for the benefit of the community as a whole and direct revenue, or fee based, activities that are specific to an application. For General Fund related services, a transfer will be made to the department to cover these costs. For all other activities, fees must cover the anticipated expenditures. For each division in the department we have analyzed the fee based need and would recommend adjustments as noted below:

Planning Division

The Planning Division is approximately seventy percent (70%) fee based. For this coming year, that equates to \$349,780. This represents the costs of the division personnel plus the "fully loaded" costs for city-wide overhead (vehicle maintenance, building maintenance, telephone, etc...) and internal services (Finance, City Attorney, ISD, etc...)

In order to recuperate these costs, the planning related fees need to rise. The Planning Division staff carries out two recoverable functions; seventeen (17) different planning applications and Plan Check. In order to set fees appropriately, we have analyzed the time it takes to process typical applications and compared that against the fees charged in the neighboring communities. The fees recommended should provide for the needed revenue while staying competitive in the market. The attached table outlines those fees.

Building and Safety Division

The Building and Safety Division is mostly funded from fees paid for services. Our estimates suggest ninety percent (90%) of the function is fee based. The anticipated revenues required to run the division next year are \$1,080,000. Again, this is the "fully loaded" cost.

APPROVED: _____

Blair King, City Manager

In the Building Division we are expecting revenues that exceed the anticipated expenditures by a margin of \$220,000. Based on this, we are recommending a change in the way projects are valued for fee purposes.

The Uniform Building Code, Table 1-A, bases the building permit fee on valuation. When the International Conference of Building Officials merged with the other model code organizations, the method of calculating valuation and the costs per square foot changed. The new valuation data lowered the cost per square foot of a single family home. This translates into a reduction of the permit fee. Commercial project valuations and fees will be unchanged.

This change in valuation is expected to decrease revenues by \$100,000 and be more in keeping with expenditures including a reasonable fund balance.

Community Improvement Division

The Community Improvement Division is mostly General Fund based. We believe approximately thirty percent (30%) of the staff's time is spent on recoverable costs. The only change we are recommending for the coming fiscal year is to raise the non-compliance fee from \$40.00 per hour to \$100 per hour. The change is based on the difference between our older rate and the new fully loaded rate for staff time.

We are working with the City Attorney's Office to establish a new enforcement tool in the administrative citation and administrative hearing process, which will allow code enforcement personnel the ability to "cite" an individual and have fines or civil penalties assessed through an independent hearing process. This is a tool that will also be valuable to the Public Works Department for encroachment violations, the Finance Department for business license violations, and Lodi Police Department-Partners for certain vehicle-related violations. Staff is prepared to bring this back to Council in the next 2-3 months for a presentation and subsequent adoption.

It is staff's intent to have these fee changes before the Council for action within the next several weeks in order to have the changes take effect on July 1, 2005.

A handwritten signature in black ink, appearing to read 'Konradt Bartlam', is written over a horizontal line.

Konradt Bartlam
Community Development Director

KB/lw

Attachment

FEE STUDY: City of Lodi, Planning Division.

	Lodi	Escalon	Ripon	Lathrop	Manteca	Tracy	Stockton	County	Galt	AVERAGE	Recommended Fee
Administrative Deviation	\$200			\$355	\$375			\$2,256		\$995	\$350
Annexation	\$3,000	\$900	\$2,343		\$3,000	\$10,500	\$5,000		\$4,232	\$4,329	\$4,000
Appeals	\$250	\$150	\$356	\$555	\$250	\$276	\$338	\$352	\$304	\$323	\$300
Development Plan Review	\$1,650	\$900	\$858	\$3,220	\$4,000	\$3,800	\$2,563	\$4,203	\$650	\$2,524	\$2,500
Environmental Impact Report	\$2,200		\$3,420		\$2,200			\$2,965	\$6,326	\$3,728	Hourly
General Plan Amendment	\$1,000		\$2,343	\$3,360	\$3,500	\$408	\$5,125	\$4,107	\$4,060	\$3,272	\$3,000
Home Occupation	\$25	\$100	\$107	\$50			\$500	\$292	\$13	\$177	\$100
Landscape Review	\$175				\$500						N/C
Live Entertainment Permit	\$200				\$1,000		\$205				N/C
Lot Line Adjustment	\$175	\$300	\$425	\$430	\$500		\$1,538	\$903	\$560	\$665	\$650
Negative Declaration	\$650		\$1,313		\$750	\$1,420	\$825		\$170	\$896	\$900
Preliminary Environmental Assessment	\$50		\$102		\$175	\$100	\$103		\$810	\$258	\$250
Rezone	\$1,000	\$1,150	\$1,246	\$2,195	\$2,400	\$2,550	\$3,588	\$3,034	\$2,952	\$2,389	\$2,000
Site Plan and Architectural Review	\$875			\$1,255	\$2,500					\$1,878	\$1,875
Tentative Parcel Map	\$750	\$700	\$1,875	\$435	\$2,400	\$7,300	\$3,075	\$1,659	\$2,300	\$2,468	\$2,500
Tentative Subdivision Map	\$1,000	\$900	\$3,124	\$3,620	\$5,000	\$12,800	\$4,100	\$4,450	\$3,500	\$4,687	\$4,600
Use Permit	\$1,000	\$550	\$1,174	\$2,045	\$2,400	\$5,300	\$2,306	\$3,350	\$566	\$2,211	\$2,000
Variance	\$500	\$500	\$1,017	\$885	\$750	\$672	\$2,306	\$2,360	\$506	\$1,125	\$1,000
Zoning Plan Check	\$50	\$475	\$356	\$360	\$100		\$103		\$260	\$276	\$350
Zoning Plan Check (Res. Master Plan)	\$50	\$475	\$356	\$360	\$100		\$103		\$260	\$276	\$100

filed 4-5-05

FEE STUDY: City of Lodi, Community Development

	Lodi	AVERAGE	Recommended Fee
Administrative Deviation	\$200	\$995	\$350
Annexation	\$3,000	\$4,329	\$4,000
Appeals	\$250	\$323	\$300
Development Plan Review	\$1,650	\$2,524	\$2,500
Environmental Impact Report	\$2,200	\$3,728	Hourly
General Plan Amendment	\$1,000	\$3,272	\$3,000
Home Occupation	\$25	\$177	\$100
Landscape Review	\$175		N/C
Live Entertainment Permit	\$200		N/C
Lot Line Adjustment	\$175	\$665	\$650
Negative Declaration	\$650	\$896	\$900
Preliminary Environmental Assessment	\$50	\$258	\$250
Rezone	\$1,000	\$2,389	\$2,000
Site Plan and Architectural Review	\$875	\$1,878	\$1,875
Tentative Parcel Map	\$750	\$2,468	\$2,500
Tentative Subdivision Map	\$1,000	\$4,687	\$4,600
Use Permit	\$1,000	\$2,211	\$2,000
Variance	\$500	\$1,125	\$1,000
Zoning Plan Check	\$50	\$276	\$350
Zoning Plan Check (Res. Master Plan)	\$50	\$276	\$100